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Impending Election Crisis in the Philippines: Implications

Special National Intelligence Estimates

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SNIE 56-86
January 1986

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The following intelligence organizations participated in the preparation of the Estimate:

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Department of State, and the Treasury.

Also Participating:

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

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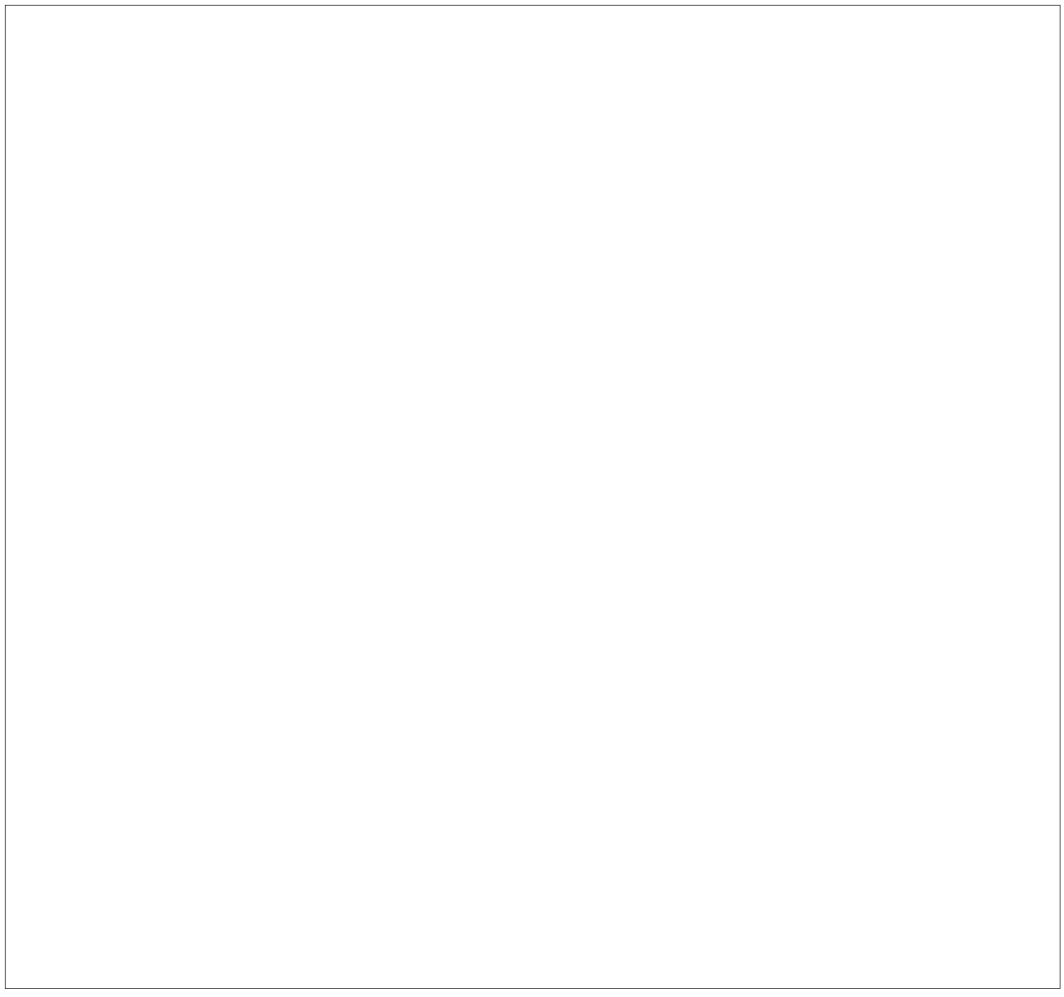

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SNIE 56-86

Impending Election Crisis in the Philippines: Implications

Information available as of 24 January 1986 was used in the preparation of this Estimate, approved by the National Foreign Intelligence Board on 31 January 1986.

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SCOPE NOTE

The 7 February 1986 "snap" presidential election in the Philippines could have significant implications for the United States, regardless of the outcome. This Special National Intelligence Estimate deals with potential election developments, their consequences, and implications for the United States. It also discusses the principal factors that will shape the election outcome and examines their implications for US interests.

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KEY JUDGMENTS

President Marcos has clearly indicated that he is prepared to do whatever is necessary to maintain his power and position. He is increasingly likely to conclude that his organizational and financial advantages may not assure a safe majority over Aquino. Consequently, we believe that Marcos will probably authorize substantial padding of the votes at the polls and in the tabulation process to ensure his victory and, if trends worsen, may decide to find some pretext for canceling the elections altogether. As a last resort, we think Marcos may even seek to annul the results with some legal or quasi-legal stratagem.

The chances for an unsettling outcome from both a Philippine and US perspective increase as the prospects for free and fair elections fade. In the event of a narrow Marcos victory, many Filipinos could maintain their commitment to peaceful change, aiming for advances in the May local elections. Blatant stealing of the election or aborting the results, on the other hand, would greatly heighten instability and polarization of the society. Also, postelection unrest stemming from a perception of widespread fraud could provide the NPA with even greater opportunities to extend its influence.

Other possible election outcomes include:

— If confronted by a sweeping Aquino victory and strong pressures from the United States and from within the KBL senior ranks to accept the results, Marcos could calculate that his ability to rule would be seriously undermined by remaining in office, and he probably would acquiesce in his defeat, perhaps first bargaining for conditions and guarantees.

— If Marcos should die before the election, the KBL leadership would cancel the 7 February balloting and probably invoke the constitutional provision that requires that the Speaker of the National Assembly call for elections in 60 days.

— If Marcos should be incapacitated, we believe Imelda Marcos would attempt to maintain power by controlling access to the President.

While unlikely, in our view, the possibility of an Aquino victory also cannot be ruled out. There is no certainty that an opposition government would be able to turn around the economic and security situation. Such a government would be plagued with many problems, including internal differences, and Aquino has little experience in the

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kind of horsetrading that would be required to keep her government united. Moreover, the country's fundamental problems are not amenable to quick solution. An Aquino government moving in a reformist direction, however, would, at least initially, enjoy broad public support, and the appeal of the CPP/NPA would be undercut. Aquino's and Laurel's records, their support by the business community and the church, and their increasing pragmatism in the campaign suggest that an Aquino government would be a moderate and centrist one. However, without strong support from the United States, any successor government would quickly fail.

We are agreed that:

— The prospects for increased instability after the election are high.

— Either a Marcos or Aquino government would have less than an even chance of effectively addressing the difficult problems confronting the Philippines.

— An Aquino victory is less likely than our pessimistic view, which is that Marcos will remain in power, and that there will be further deterioration in the Philippine political situation. This deterioration implies increasing polarization and greatly enhanced prospects for a successful Communist-led insurgency.

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DISCUSSION

Election Trends: A Marcos Victory?

1. The upcoming 7 February "snap" presidential election in the Philippines, whether held or not, will have long-lasting implications for the future of the Philippines and for US interests. President Marcos has clearly indicated that he is prepared to do whatever is necessary to maintain his power and position, but he is increasingly likely to conclude that his organizational and financial advantages may not assure a safe majority over Aquino. Consequently, we believe that Marcos will probably authorize substantial padding of the votes at the polls and in the tabulation process to ensure his victory and, if trends worsen, may decide to find some pretext for canceling the elections altogether. As a last resort, we think Marcos may even seek to annul the results with some legal or quasi-legal stratagem.

2. In any event, the chances for an unsettling outcome from both a Philippine and US perspective increase as the prospects for free and fair elections fade. Of course, the actual depth of public reaction depends in large measure on the degree to which Marcos is perceived to manipulate the results. The Aquino forces will protest any type of Marcos victory, even a narrow one. But, many Filipinos could maintain their commitment to peaceful change, aiming for advances in the May local elections. Blatant stealing of the election or aborting the results, on the other hand, would greatly heighten instability and polarization of the society. Also, postelection unrest stemming from a perception of widespread fraud could provide the NPA with even greater opportunities to extend its influence.

3. With a new but tainted mandate, Marcos could try to demonstrate a reinvigorated reform effort. But, the further flight of capital, possible civil disturbances, and perhaps increased unrest in the military, as well as Marcos's failing health, suggest that his regime would face a steady weakening of its inner cohesion. Such circumstances would mitigate against the chances of his mounting an effective counterinsurgency effort or undertaking meaningful economic reform.

4. Marcos appears determined to use all means to maintain his grip on power. But, if confronted by a sweeping Aquino victory and strong pressures from the United States and from within KBL senior ranks to accept the results, Marcos could calculate that his ability to rule would be seriously undermined by remaining in office, and he probably would acquiesce in his defeat, perhaps first bargaining for conditions and guarantees. Alternatively, such an outcome might prompt him to use force in a desperate attempt to cling to his position, even though this would likely lead to a rapidly escalating crisis.

Will the Elections Be Held?

5. It still appears likely that they will come off as scheduled, but there is some chance they may be canceled:

- Marcos's health is deteriorating, and he will probably have to curtail his campaigning.
- An unanticipated show of strength in many areas by the Aquino-Laurel ticket is developing.
- There have been prominent defections from Marcos's ruling KBL party.

6. Marcos could come up with any number of excuses to cancel the election. 25X1
Marcos could invoke the 10-year residency 25X1
requirement to disqualify Aquino, if necessary. Marcos could also invoke some pretext to reestablish martial law or to declare an emergency that would also cancel the elections. If the elections are canceled we believe that:

- The perception will grow at home and abroad that the Marcos regime is illegitimate.
- There will be increased political tension in the Philippines and an increase in popular disturbances.
- The left will seize on the issue to expand its influence.

Under these conditions, and with Marcos in declining health, political instability in the Philippines will become even more severe, increasing the likelihood that more dramatic change will occur.

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What Happens if Marcos Resorts to Extra-Legal Measures?

7. A variety of potential efforts by Marcos to stack the deck can be grouped into three general possibilities:

— Marcos engages in massive voter fraud—a highly likely prospect under any circumstance.

— Marcos uses "dirty tricks," such as staging an attack on one of his election rallies, to demonstrate Aquino ties to the CPP/NPA.

— Marcos or one of his supporters successfully arranges for the assassination of Aquino.

8. Should Marcos win the election using any of these tactics, it would accelerate political deterioration in the Philippines and create serious complications for US policy. The CPP would capitalize on the widespread sense of injustice to provoke political turmoil while continuing to build its organizations. Although most moderates would persevere in peaceful opposition, some left-leaning elements would turn to the Communists and the National Democratic Front. The United States would be widely perceived as having inspired the election and acquiesced in the Marcos victory. This could stimulate anti-US sentiment.

What if Marcos Wins in a Relatively Clean Election?

9. There is some prospect that Marcos could win a victory with relatively little direct rigging. This could stem from:

— Marcos's tremendous advantage in money, organization, and media control, which could translate into a clear-cut victory without significant fraud.

— Costly blunders on the part of the opposition. For example, Marcos has already taken advantage of Aquino's statements on allowing Communists in the government.

10. A Marcos victory won under such circumstances, if coupled with genuine reforms, could have some potential advantages for the United States. Marcos will continue to bring some strength to the anti-Communist cause, he is a political realist and a skilled tactician, his government is not strong but it is not powerless either, and it probably will glean some modest gains from its electoral triumph.

11. Marcos's declining health, however, will cause him increasingly to make injudicious, shortsighted decisions, will diminish his capacity to govern, and will probably permit his wife increasingly to control access to him and to promote her own political ambitions. Even if Marcos's health does not deteriorate rapidly, his truncated political support base is unlikely to permit him to engage in the type and degree of reform necessary to restore confidence in the government and to counteract the growth of the left. Additionally, a relatively cleanly won election victory would almost certainly steel Marcos to become even less responsive to US and other pressures for genuine reform. A Marcos victory, in any case, would inhibit the process of competition in the political center, further stunting political maturation and institution building.

What if Marcos Should Die or Become Incapacitated Just Prior to the Election or in the Immediate Aftermath?

12. Marcos's deteriorating health, exacerbated by the rigors of the campaign, raises the prospect that he could suddenly die or become incapacitated. *If he should die before the election*, the KBL leadership would cancel the 7 February balloting and probably invoke the constitutional provision that requires that the Speaker of the National Assembly call for elections in 60 days. *If he should be incapacitated*, we believe that Imelda Marcos, perhaps with the assistance of other key associates such as General Ver, would attempt to maintain power by controlling access to the President. The consequence of this outcome is highly uncertain, and we believe it is likely to set in motion even greater political machinations within the KBL and doubtless greater general political instability.

13. Any KBL successor to Marcos would find it extremely difficult to maintain party unity, even if he or she won an election. The party itself, owing to its foundation on Marcos's personality, would be likely to decline. Perhaps the person most likely to maintain KBL viability would be Cojuangco, given his great wealth and his present access to the levers of power.

What Happens if the Opposition Should Pull Off An Upset?

14. While unlikely, in our view, the possibility of an Aquino victory cannot be ruled out. There are indications that Marcos underestimates her popularity, and reliable reports reveal that the KBL is running scared in many areas. An opposition victory is most likely if:

— Key KBL leaders perceive that an opposition victory is possible and decide to switch sides; two provincial governors and a number of local officials have already done so.

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— Organizations such as the National Movement for Free Elections (NAMFREL) and the AFP reform movement are able to greatly minimize electoral fraud.

— Filipinos increasingly sense that Marcos's "mandate of heaven" has ended and desert him and the KBL *en masse* despite traditional election day payoffs.

15. However, the presence of so many powerful economic, political, and military allies of Marcos—all potentially big losers in a post-Marcos era—will make an orderly and constitutional transfer of power difficult. Even if Marcos and the First Family are prepared to accept political retirement at home or, more likely, abroad, we believe a preemptive coup backed by senior AFP commanders and others closely connected to Malacanang is possible. And, an aborted opposition victory could better be exploited by the Communists and be more threatening to US interests than even a Marcos electoral victory obtained through fraud. Should the opposition win and take office, the appeal of the CPP/NPA would be undercut, at least for the honeymoon period. Filipinos would likely rally to the new government in hopes that its program would be viable in restoring justice and improving the economy. Moreover, some leftist elements, which have collaborated with the CPP/NPA, would probably defect to the government. We also believe that in the short term increased nationalistic sentiment will make negotiation over US facilities more difficult.

16. We believe that, if an elected opposition slate is allowed to take power, events could run in one of two broad tracks—one favorable to US interests and one not. Under the optimistic scenario, an Aquino-Laurel government would:

— Move quickly to put into place an agenda of political, economic, and military reform.

— Begin to disassociate itself from left wing anti-US policy positions taken during the campaign.

17. An Aquino government moving in a reformist direction initially would enjoy broad public support, and the appeal of the CPP/NPA would be undercut. The prospects that the new government would take such a direction are reasonably good. We believe Aquino's statements on the Communist Party and the insurgency suggest a desire on her part to end the fighting and steer the country on a centrist course rather than any wish to establish a coalition government with radicals. Although Aquino's "minimum program of government" contains several seemingly radical positions on matters of foreign and economic policy, it is probably geared more to securing support from a broad political spectrum, including the left, than in radically recasting the Philippines as a nonaligned country or a socialist economy. Aquino's and Laurel's record, their support by the business community and the Church, and their increasing pragmatism in the campaign suggest that an Aquino government would be a moderate and centrist one.

18. Unfortunately, there is no certainty that an opposition government will prove adroit enough to stay on track. Such a government would be prone to fragmentation and infighting. Mrs. Aquino has little experience in the kind of horsetrading that will be required to keep her government united. Especially in such a setting, a new government may be unable to resist the temptation of playing to nationalistic anti-US feelings and to the left wing of its constituency, provoking in the process a crisis in its relationship with the United States. Without strong upgraded support from the United States, any successor government would quickly founder. Moreover, we remain concerned about the longer term prospects for stability in the Philippines regardless of the nature of a successor government. The country's fundamental problems are not amenable to quick solution. An Aquino-Laurel government would not in any case represent a clean break from the elitist politics of the past that have contributed to the Philippines' present dilemma. In short, an opposition victory would hold hope of a fresh and constructive approach but no guarantees.

What Will be the Approach of the Left to the Elections?

19. Both the "Bayan" left coalition and the CPP have eschewed participation in the elections and are urging an election boycott. It is unlikely that the CPP/NPA will do anything noteworthy vis a vis these elections, but they will be blamed for many minor events. But if the CPP/NPA did decide to do something, actions could range from snatching ballot boxes, such as they did in the National Assembly elections of 1984, to assassinating one of the presidential candidates and then turning blame to the other side in an effort to further destabilize the Philippine political situation. One danger for the left is the possible splintering of Bayan if the moderates smell victory by Aquino and move to support her while the CPP followers obey party directives mandating a boycott.

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20. Whichever side wins the election, or if the election is canceled, we believe that the Communists:

— Will continue to agitate against the US presence and role in the Philippines.

— Will seek to expand their influence by denouncing fraud and corruption if Marcos wins or cancels the elections or by trying to take advantage of Aquino's promises and uncertainty in the interlude if the opposition wins.

— Will not abandon their revolutionary struggle in favor of cooperation with the government even if the opposition wins.

21. An Aquino victory would present the Communist Party with a dilemma. So far, Communist strategy—concentrating on political organization while mounting enough military operations to discredit the government—has been based on Marcos's continued rule at least through the previously scheduled 1987 election. With Aquino at the helm, these calculations may change, especially if she shows promise of implementing reforms that would erode its mass base or mounting an effective counterinsurgency program. The Party would then have to decide whether to make a deal with Aquino in the hope of gaining a foothold in the government or to mount massive military operations in an effort to destabilize Aquino's fledgling administration.

What Will be the Soviet Role?

22. The Soviets will probably seek to adopt a "no lose" approach to the Philippines whoever wins—adopting a patient waiting game, hoping that anti-US sentiment will grow and eventually force the United States to give up the facilities. If we are wrong, and the Soviets decide to get more directly involved, we anticipate that they could decide either to greatly increase funding for the left, or they could try to make a deal with Marcos.

What Additional Groups are Likely to Play a Significant Role in the Outcome of the Elections?

Besides Marcos's KBL, the moderate opposition, and the left, the most significant groups are the Armed Forces of the Philippines (AFP), the Catholic Church, technocrats and bureaucrats in the government, and the business community. We anticipate that these groups could affect the elections in these respective ways:

— Even though *General Ver* has promised that the AFP will remain neutral in the elections, we expect that he will try to mobilize the military to ensure a Marcos victory. The AFP will be responsible for providing security in polling places and the potential for fraud is significant. The military reform movement has promised that it will watch polling places along with NAMFREL to guard against military involvement in fraud, but the effect of the reform movement is questionable since we have evidence that it is already thoroughly infiltrated by Ver loyalists. Should an opposition victory appear imminent, Ver would attempt to use the military to support massive fraud by Marcos. Under some circumstances, Ver doubtless would support and might instigate a pro-Marcos coup.

— The *Catholic Church*, through its voice VERITAS, statements by Cardinal Sin, moral persuasion, and organizational efforts, has been trying to support open, free, and fair elections. While the Church has claimed neutrality in the campaign, its efforts have helped Aquino.

— Marcos has tried to ensure the support of *civil servants* by increasing their wages and by implying that they will lose their jobs if they are disloyal or if Aquino wins. Nevertheless, many officials who staff the agencies of government are discontent with Marcos's rule and believe that change is necessary if the Philippine economy is to recover. If these technocrats sense an opposition victory, they could shift support away from Marcos.

— Much of the *business community* has become increasingly alienated from Marcos. Organizations such as the Makati Business Club and "Manindigan!," a business group that encourages more active participation by "middle forces" in the opposition, have become increasingly identified with the opposition and may provide some funding and some expertise in support.

— The *Marcos cronies* clearly hope for a Marcos victory, but in the event it appears he is losing or that he might die soon, they will either leave the Philippines or attempt to co-opt the KBL movement. Eduardo Cojuangco is a case in point. Cojuangco would probably attempt to succeed Marcos in the event of his sudden death or disability. There are also reports of varied reliability that Cojuangco might establish his own warlord satrapy if the Marcos regime should start to disintegrate.

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23. Given the overall Soviet attitude and approach, their response to the election is likely to follow one of two paths:

— If Marcos wins, or if the elections are canceled, they will likely continue their present two-track policy of giving official support to the regime while finding opportunities to discredit the United States and fan anti-US nationalistic sentiment. They may also see new opportunities in a deteriorating situation for covertly supporting the insurgents.

— If the opposition wins, they may seek greater opportunity to press united front tactics by supporting the leftist elements in the new government and cautiously supporting the CPP. However, all of our reporting indicates Aquino views the Soviet Union with great apprehension.

What are the Implications of Election Developments for the United States?

24. It is far from clear that the election will have a favorable impact on US interests:

— Both sides are accusing the United States of supporting the other side. Whatever the outcome of the elections, the United States will be blamed by the loser; moreover, many Filipinos are likely to believe the outcome was dictated by the United States.

— Whatever the outcome, negotiations for the bases will become more difficult.[1]

— Neither side's victory ensures that long-range problems, the economy, the Communist insurgency, and long-range social problems will be solved, and anti-US nationalism will continue to grow.

25. This does not mean that the situation is hopeless. Under the best circumstances, an Aquino regime could begin to conduct the reforms necessary to revitalize the economy and begin to counteract the insurgency. However, an Aquino victory is less likely than our pessimistic view, which is that Marcos will remain in power, and that there will be further deterioration in the Philippine political situation. This deterioration implies increasing polarization and greatly enhanced prospects for a successful Communist-led insurgency.

[1] There is, however, a difference , at least in degree of enthusiasm, between the Aquino and Marcos political statements regarding support for future presence of US bases in the Philippines. Aquino claims she will respect the US military bases agreement, at least up to 1991, and until then she will keep all options open. Aquino has also commented that she eventually would like to see US bases removed from the Philippines. Marcos has consistently stated that he believes the US bases should remain in the Philippines for reasons of national security and superpower balance in Southeast Asia. However, Marcos has proved to be a hard bargainer in the past, and there are those within his own party who oppose the presence of the bases. In the long run, the viability of the bases requires the restoration of political stability.

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